

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 266 - HB 339

March 20, 2011

SUMMARY OF BILL: Requires owners of motor vehicles, whether individuals or dealers, to provide the Department of Revenue the date of sale or transfer, the name and address of the owner and transferee, and a description of the vehicle within five business days after the sale or transfer of any motor vehicle.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$179,000/One-Time
\$2,435,500/Recurring**

Assumptions:

- According to the Department of Revenue (DOR), the Department issues approximately 240,600 new car titles and approximately 1,720,300 used car titles each year (1,960,900 total).
- DOR will be required to track the transfer or sale of approximately 1,960,900 vehicles each year, which will require capturing additional information from both owners and transferees, for all regular titles, rebuilt vehicles, salvage, and non-repairable vehicles.
- Given there are approximately 260 working days each calendar year, additional information on approximately 7,542 vehicles ($1,960,900 / 260$) will have to be processed each day.
- According to DOR, the Department will require at least 35 new positions to handle the additional workload. The recurring increase in state expenditures will be \$1,219,700 (\$850,100 salaries + \$369,600 benefits). There will be a one-time state expenditure associated with these new positions of \$179,000 (for computers, software, communications, etc.).
- There will be other operational expenses for new printed forms, materials, and office supplies. Based on information provided by DOR, the average operational cost will be \$0.62 for each vehicle transferred. Therefore, a recurring increase in state expenditures of \$1,215,758 ($1,960,990 \times \0.62).
- The total recurring increase in state expenditures will be \$2,435,458 (\$1,219,700 + \$1,215,758).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc